

The FAN

Standard Two

Lesson 2.1

Standard Two

●Students will assess the fan's role in sports marketing as a spectator and consumer.

The Fan

●The reason for the success of organized sports is the involvement of the fans.

- Ticket Purchases
- Merchandise Purchases
- Media Purchases
- Time Commitment
- Play & Participation
- Contest Participation

Sports

●Sports are a source of diversion or physical activity engaged in for pleasure

- Can be spectatorship
- Can be participation and play

Sports Consumers

●Consumers exchange money for a "wanted" good or service.

●Sports Consumers exchange in different ways:

- Spectators as Consumers
- Benefit by watching game
- Exchange for tickets and entertainment
- Participants as Consumers
- Benefit by playing or event participating
- Exchange for equipment and participation

Sports Attraction

Why Do We Participate?

- Personal Improvement - Better Health
- Sense of Accomplishment
- Develop Positive Values, etc.
- Sport Appreciation
- Enjoy the game and competition
- Fan Identification with the Team
- Social Facilitation
- Spend time with others, feel part of a group

Fan Motivation

Reasons to Attend a Game

- Diversion from everyday life
- Entertainment Value
- Eustress or Positive Stress
- Economic Value
- Aesthetic Value
- Need for Affiliation
- Family Ties

Fan Attendance Factors

What Fans Value

- Reasonably Priced Parking (\$8) & Tickets (\$25)

- Adequate Parking/Access
- Reasonably Priced Foods
- Home Team With A Winning Record
- Close Score
- Home Team Star Regarded As Top 10 Player
- Reasonably Priced Souvenirs
- Game That Ends In Less Than Three Hours
- Wide Variety Of Snack Foods

- Taken From Shank Book

Types of "Fans"

- Audience

- Consumers

- Customers

Fan = Target Market

●"Fans" are typically segmented in to smaller markets by teams:

●"target markets" or "market segments"

●Specific Market Segments:

- Demographic Segmentation
- Psychographic Segmentation
- Geographic Segmentation

●Behavioral Segmentation

Market Segmentation

●Grouping consumers together based on common needs, interests, behaviors,...

●Separating consumers makes measurement and promotions easier to manage

●Targeting must be:

- Sizeable
- Measurable
- Reachable

Niche Market

●A relatively small part of a market that has a very special need not currently being filled is a Niche Market.

●Examples

●Memorabilia Collectors & Traders

●Target Market IS Sizeable

●Target Market IS Measurable

●Target Market IS Reachable

Demographics

- Segmentation based on measurable statistics

- Age
- Gender
- Religion
- Race
- Nationality

● Birth Rates...

Geographics

- Segmentation based on Area, Region, or Climate
- State
- County
- City
- Region
- Climate – Winter Sports, Water Sports
- Hawaii vs. Vermont
- Alaska vs. Florida

Psychographics

- Segmentation based on Interests & Activities
- Cheerleader
- Athlete
- Computer User
- Mini-Van Driver
- Retired Person
- Marathon Runner

Behavioral Segmentation

- Segmentation based on “Rate Of Use”
- Individual is either a User or Non-User
- Season Ticket Holders
- Smokers
- Seat Belts

Types of Sports Participants

- Participants have two classifications
- Amateur
- Professional

● Sports have two classifications

- Organized
- Un-Organized

Athletes

- Amateur Athletes
- An athlete that is not monetarily compensated for performance
- Collegiate Athletes, Olympic Athletes, ...

● Professional Athletes

● An athlete that is compensated with money for his or her performance.

● NBA, WNBA, MLB, MLS,...

Classification of Sport

- Organized Sports
- Sport that is controlled by an **organizing body**
- Official rules of play, participation, controlled
- “**Sanctioned**” Sports
- NCAA, NBA, NASCAR, NFL, Rec. Leagues

● Un-Organized Sports

● Sport that is not sanctioned or controlled

● May have rules of play

Sports Producers

- Sports Producers May Provide:
 - Events for Participation
 - Events for Entertainment Viewing
 - Sporting Goods and Equipment
 - Licensed Merchandise
 - Collectables and Memorabilia
 - Athlete Training
 - Sports Information
 - Event Coverage and Distribution
- ### **Standard Two Projects**
- Survey Students – Why attend events?
 - Marketing Research – Fantasy Team Area/Region
 - Demo-geo-psychographics...
 - Team Stadium Design
 - Design Tickets
 - ID Stadium Factors for Demo...
 - Distribution... Media... Sportscape...

Sports
Distribution
Event & Media Distribution
Stadium as "Place"

- **Sports – produced & consumed at same time.**
- **Sports – produced & consumed @ same place.**
- **Stadium – represents the distribution (place).**
- **Stadium – adds to the "effect" of the event**

Place =
Distribution

- Sports are produced and consumed simultaneously

• The Stadium, Arena, or Venue serves as both the location and the method of distribution for the event

• The media also provides for distribution of sports events

–News, TB, PPV, Radio, Internet,...

Distribution of Events

- Attendance
 - Gate or Gate Receipt
 - Fan Fun Events
 - Ancillary Events
- Fan Involvement in Events

• Many ways that fans shape and effect games

–"Home Court Advantage"

–Noise meters

–Attendance records

–Ticket Prices & "Scalping"

–Media Input & Purchasing

• DirecTV, Satellite, Pay-Per-View

New Stadia

- 4 Years: 33 new venues = 24 planned
- New Venues incorporate Luxury Boxes

–Increase Revenue for Team

- Incorporate New Technology with "Old Style" Atmosphere

Stadia Funding

- 80% of funding is TAX DOLLARS
 - Luxery Boxes
- Add \$10 – 40 Million Annually to Team
- Increases Salary & Payroll
- Signing Better Players

–Increase Competition

–Increase Ticket & Lux.Box Sales...

Ticket Distribution

- Team & Venue Sales
- Sales: Face Value of Ticket
- "GATE" → Total Ticket Sales for Event
- Ticket Brokers
- Sales Price + Service Charge
- Game Marketing, Advertising, Tech Support
 - Customer Service, Sales Force, ...
- Complaint: Service Fees Too High

Goal of Stadium

- Create Value in Time Spent @ Park
 - Attract More Spectators
 - Make "Experience" Bigger & Better
- INSTADIUM® TECHNOLOGY
- Seat side concession ordering, replay, player statistics, . . .
- Define: REVENUE STREAM

Media Distribution

- Delivering Sports Events with MEDIA
- Television -- Radio
- Internet -- Satellite
- Other?

Rights to Distribution

- Networks Buy "Rights" to Broadcast
- Advertisers Buy Advertising Time During Broadcast
- Sponsors pay for Exposure from Broadcast
- Media Revenue goes to Team or League
- "REVENUE SHARING"

–"MEDIA RECEIPT"

Reliance on Media Money

Average Gate & Media Revenues in 1999

Sport	Avg Gate	Avg Media
MLB	---	\$30.6 Mil
NFL	\$26.7	\$65.4 Mil
NHL	\$24.2	\$ 6.3 Mil
NBA	\$24.1	\$21.2 Mil

Benefits of Media Rights

- Guaranteed Mass Audiences
- Specifically Young Male Target Market
- Rating are Declining in All Programming
- Slower in Sports Programming

- NFL Football remains the most watched programming

- Companies can use sports to Create & Maintain their

IMAGE

Cable & Satellite

- “Direct Broadcast” Cable & Satellite Services

–DirecTV, PrimeStar, Dish Network, Digital Cable

- Offer Specialty Broadcasting

–Provide Specialty Target Markets for Advertising

–Provide Advertisements & Pay Per View Statistics

Summary of Distribution

- Moving Product from Producer to Consumers

- Move through Distribution Channels

- Overseen by Channel Members

- “Middle-Man” – Wholesaler,Distributor,Retailer...

- Retailer Image – Important Development & Use

- Stadium as Place For Distribution & Spt Consumption

- Media Distribution / Broadcast of Events = Distribution

- New Stadia & Media Rights = Big Money for Teams